

SETTLEMENT AGREEMENT BETWEEN CHEMI-SOURCE, INC. D/B/A MRM NUTRITION AND APS&EE, LLC

1. RECITALS

1.1 The Parties

1.1.1 This Settlement Agreement (“Agreement”) is entered into by and between APS&EE, LLC (“APS&EE” or “Plaintiff”) and Chemi-Source Inc. dba MRM Nutrition (“Chemi-Source” or “Defendant”). APS&EE and Chemi-Source may hereafter individually be referred to as a “Party” and collectively as the “Parties”.

1.1.2 APS&EE is an organization based in California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes reducing exposures to listed chemicals found in consumer products.

1.1.3 APS&EE alleges that Chemi-Source is a person in the course of doing business as the term is defined in California Health & Safety Code section 25249.6 *et seq.* (“Proposition 65”).

1.2 Allegations

1.2.1 APS&EE alleges that Chemi-Source distributed, sold or made available for sale in the State of California a Matcha Green Tea Powder including, but not limited to, UPC 6-09492-80015-2 (the “Products”), allegedly causing users in California to be exposed to lead without providing a Proposition 65 warning. Lead is a listed chemical pursuant to Proposition 65.

1.2.2 On or about July 29, 2025, APS&EE alleges that it served a Sixty-Day Notice of Violation (“Notice”) on Chemi-Source and various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products. To the best of the Parties’ knowledge no public enforcer is diligently prosecuting the claims alleged in the Notice.

1.3 No Admissions

Chemi-Source enters into this Agreement as a full and final settlement of all claims that were raised or that could have been raised in the Notice concerning alleged Proposition 65

violations related to the Products, and solely to avoid prolonged and costly litigation. Chemi-Source denies the material factual and legal allegations contained in the Notice, maintains that it is not a person in the course of doing business that is subject to Proposition 65, that it is not subject to personal jurisdiction in California, and that all products that it has sold and distributed in California, including the Products, have been and are in compliance with all laws, and are completely safe for their intended use. Nothing in this Agreement shall be construed as an admission against interest by Chemi-Source of any fact, finding, issue of law, or violation of law; including, but not limited to any fact or conclusion of law suggesting or demonstrating that Chemi-Source has sold any products in California, or that it has violated Proposition 65, or that it is a person in the course of doing business for purposes of Proposition 65, nor shall compliance with this Agreement constitute or be construed as an admission against interest by Chemi-Source of any of the above, such being specifically denied by Chemi-Source. Nothing in this Agreement shall prejudice, waive or impair any right, remedy, argument or defense Chemi-Source may have in this or any other future legal proceedings. This Agreement is the product of negotiation and compromise and is accepted by Chemi-Source solely for purposes of settling, compromising, and resolving issues disputed in the Notice. However, this Section 1.3 shall not diminish or otherwise affect Chemi-Source's obligations, responsibilities and duties under this Agreement.

1.4 Effective Date

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Agreement is delivered to each Party or its counsel.

1.5 Compliance Date

For purposes of this Agreement the "Compliance Date" shall be the date 30 days after the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

As of the Compliance Date, Chemi-Source shall not manufacture, sell, or distribute Products to be offered for sale in California unless: (a) the Products expose a person to less than

0.5 micrograms of lead per day based on the recommended Daily Serving as calculated below in Section 2.2; or (b) the Products are offered for sale in California with a clear and reasonable Proposition 65 warning as described below in Section 2.3.

2.2 Exposure Calculation

2.2.1 A “Daily Serving” (for purposes of determining Proposition 65 compliance for alleged lead present in the Products) shall be defined by the serving size set forth on the label of the Products. If the label, package, or Product display page on the internet¹ do not recommend a number of daily servings, then the number of daily servings shall be one.

2.2.2 The daily exposure shall be calculated by using the following formula: micrograms of lead per gram, multiplied by grams of Product per serving, multiplied by servings of the Product per day. Should Chemi-Source decide to provide a Proposition 65 warning (in conformance with Section 2.3 below) for any production lot of the Products, no testing is required for that production lot under the terms of this Agreement.

2.3 Proposition 65 Warnings

Whenever a warning is required under Section 2.1, Chemi-Source shall use one of the following options:

Option 1:

WARNING [or CA WARNING or CALIFORNIA WARNING]:

Consuming this product can expose you to Lead, which is known to the State of California to cause [cancer and] birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

Option 2:

WARNING [or CA WARNING or CALIFORNIA WARNING]: Risk of [cancer and] reproductive harm from exposure to lead. See www.P65Warnings.ca.gov/food.

¹ The “Product display page on the internet” applies to Products purchased therefrom, not to Products purchased elsewhere, such as a brick-and-mortar retail store.

Option 3:

WARNING [*or CA WARNING or CALIFORNIA WARNING*]: Can expose you to lead, a [carcinogen and] reproductive toxicant. See

www.P65Warnings.ca.gov/food.

Option 4 (for Product manufactured and labeled before January 1, 2028):

WARNING: [Cancer and] Reproductive Harm -www.P65Warnings.ca.gov/food.

If Chemi-Source has reason to believe the daily exposure for the Product exceeds 15 micrograms of lead, where daily exposure is determined pursuant to Section 2.2, Chemi-Source shall include the phrase “cancer and” or “carcinogen and” in the warning.

Nothing in this Agreement shall prevent Chemi-Source from modifying any warning contained in Option 1, 2, or 3 to disclose the presence of additional chemicals if Chemi-Source determines that such disclosure is appropriate or required.

Where the warning is provided on the Product label, it must be set off from other surrounding information, and enclosed in a box, but does not require a yellow warning triangle. Where a specific food product sign, label, placard, or shelf tag is used to provide a warning, it must be displayed with such conspicuousness as compared with other words, statements, or designs as to render it reasonably likely to be read and understood by an ordinary consumer prior to sale. Where an Option 4 product label warning or a retail warning sign with any of the warning options above is used it shall also be accompanied by a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. The symbol shall be placed to the left of the text of the warning, in a size no smaller than the height of the word “WARNING”. In no case shall a warning statement appear in a type size smaller than 6-point font. If the Product contains consumer information in a language other than English, the warning must be provided in that language in addition to English.

In addition to affixing the Warning to the Product’s packaging, label, or labeling, the Warning shall be posted on the applicable internet Product display page(s) where Chemi-Source offers Products for sale to consumers in California and controls the content of the Product listing.

The internet warning requirements of this Section shall be satisfied if the Warning, or a clearly marked hyperlink using the word **[California]** or **[CA]“WARNING,”** appears on the product display page, or is otherwise prominently displayed to the purchaser prior to completing the purchase of the Product (language in brackets optional). To comply with this Section, Chemi-Source shall post the Warning on its own website and, if it has the ability to do so, on the websites of third-party internet sellers where it has actual knowledge the third parties are selling the Products to California on their websites. In addition, Chemi-Source shall instruct any downstream entity to which it directly sells Covered Products to include the same online warning, as set forth above, as a condition of selling the Covered Products in California.

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Products and the chemical at issue, which are different than those set forth above, Chemi-Source shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted providing that Proposition 65 warnings as to lead in the Products are no longer required, a lack of warning by Chemi-Source will not thereafter be a breach of this Agreement.

2.4 Grace Period

For Products that have entered the stream of commerce prior to the Compliance Date, there shall be no obligation for Chemi-Source to reformulate Products pursuant to Section 2.2 or provide a warning for Products pursuant to Section 2.3. For the avoidance of doubt, Products in the stream of commerce specifically include Products that are in the process of manufacture prior to the Compliance Date, and the Section 4 release applies to all such Products manufactured prior to the Compliance Date.

3. PAYMENTS

3.1 Civil Penalty Pursuant To Proposition 65

In settlement of all claims for penalties, damages, or monetary relief of any kind related to the Notice and the negotiation and execution of this Agreement (excepting only Plaintiff's attorney and other fees and expenses as set forth in section 3.2 below), Chemi-Source shall pay a total civil penalty of one thousand dollars (\$1,000.00) to be apportioned in accordance with Health and Safety Code section 25249.12(c)(1) and (d), with 75% (\$750.00) for State of California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining 25% (\$250.00) for APS&EE.

Chemi-Source shall issue these payments as part of the total payment described below in Section 3.2 via wire or ACH transfer payable to Law Offices of Lucas T. Novak. After receipt of the wire transfer, Law Offices of Lucas T. Novak shall be solely responsible for forwarding the respective payments to OEHHA and APS&EE.

3.2 Reimbursement Of APS&EE's Fees And Costs

Chemi-Source shall reimburse APS&EE for all of its alleged reasonable investigation, expert, and attorney's fees, and any other expenses incurred in prosecuting the instant action, for all work performed through execution of this Agreement, in the amount of fourteen thousand dollars (\$14,000.00). Accordingly, Chemi-Source shall remit total payment via wire or ACH transfer to Law Offices of Lucas T. Novak in the amount of fifteen thousand dollars (\$15,000.00) which includes the civil penalty described in Section 3.1, within ten (10) business days of the Effective Date.

3.3 Wire Instructions and Tax Documentation

Chemi-Source agrees to provide a completed IRS 1099 for its payments to Law Offices of Lucas T. Novak under this Agreement. APS&EE agrees to provide IRS W-9 form for Law Offices of Lucas T. Novak under this Agreement and to provide wire instructions so that Chemi-Source can complete the payment described in Section 3 of this Agreement. The Parties acknowledge that Chemi-Source cannot issue any settlement payments pursuant to Sections 3.1

and 3.2 above until after Chemi-Source receives the requisite W-9 form and wire instructions from APS&EE's counsel.

4. RELEASES

4.1 APS&EE's Release Of Chemi-Source

This Agreement is a full, final, and binding resolution of all claims between APS&EE, on its own behalf, and Chemi-Source, for all claims that can or could have been asserted by APS&EE, on its own behalf, and on behalf of its past and current agents, representatives, successors and assignees, against Chemi-Source its parents, subsidiaries, affiliated companies under common ownership or control, shareholders, directors, members, managers, officers, partners, agents, employees, representatives, attorneys, successors and assignees, as well as any entity from whom or to whom Chemi-Source directly or indirectly purchases, imports, distributes, or sells the Products, including, but not limited to, its suppliers, downstream distributors, wholesalers, customers, retailers, cooperative members, licensors, licensees, and franchisees (collectively, "Released Parties"), from any alleged Proposition 65 violations asserted in the Notice regarding actual or alleged failure to warn about alleged lead exposure from the Products manufactured, sold or distributed by Chemi-Source for sale or potential sale in California before the Compliance Date. In further consideration of the promises and agreements herein contained, APS&EE on its own behalf and not on behalf of the public, on behalf of its past and current agents, representatives, successors and assignees hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against Chemi-Source and Released Parties including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, damages, losses or expenses including, but not limited to, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to lead required under Proposition 65 in the Products manufactured, imported, distributed, sold or offered for sale by Chemi-Source, before the Compliance Date.

4.2 Chemi-Source' Release Of APS&EE

Chemi-Source, by this Agreement, waives all rights to institute any form of legal action against APS&EE, its shareholders, directors, members, officers, employees, attorneys, experts, successors and assignees for actions or statements made or undertaken, whether in the course of investigating claims in this matter or seeking enforcement of Proposition 65 against Chemi-Source in this matter. If any Released Parties should institute any such action, then APS&EE's release of said Released Party in this Agreement shall be rendered void and unenforceable.

4.3 Waiver Of Unknown Claims

Each of the Parties acknowledges that it is familiar with Section 1542 of California Civil Code which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Each of the Parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

5. PUBLIC BENEFIT

It is the Parties' understanding that the commitments Chemi-Source has agreed to herein, and actions to be taken by Chemi-Source under this Agreement, confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of the Parties that to the extent any other private party serves a

notice and/or initiates an action alleging a violation of Proposition 65 with respect to Chemi-Source's alleged failure to provide a warning concerning actual or alleged exposure to lead prior to use of the Products it has manufactured, imported, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Agreement, provided that Chemi-Source is in material compliance with this Agreement.

6. SEVERABILITY

Should any part or provision of this Agreement for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

7. GOVERNING LAW

The terms of this Agreement shall be governed by the laws of the State of California. This Agreement is entered into in the State of California and may only be enforced in the State of California.

8. ENFORCEMENT

Before any Party may take action to enforce the terms of this Agreement for alleged breach, that Party must give the other Party written notice and a good faith opportunity to respond and cure the alleged violation. The Parties must thereafter meet and confer for a period of no less than 30 days to try to resolve any alleged violation. APS&EE shall not bring an enforcement action or institute a judicial proceeding or seek any other relief of any kind if Chemi-Source demonstrates to Plaintiff's reasonable satisfaction that it has complied with the requirements of Section 2 during the meet and confer period. In the event that meet-and-confer efforts are unsuccessful, the Party alleging a violation may initiate a judicial proceeding to enforce this Agreement no earlier than 30 days after issuing the written notice specified herein.

9. NOTICES

All correspondence and notices required to be provided under this Agreement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

To Chemi-Source: Mark Olson, CEO Chemi-Source, Inc. 2665 Vista Pacific Drive Oceanside, CA 92056 With Copy to: J. Robert Maxwell, Esq. Rogers Joseph O'Donnell 311 California Street, 10th Fl. San Francisco, CA 94104	To APS&EE: Lucas Novak, Esq. Law Offices of Lucas T. Novak 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069
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10. JOINT PREPARATION

The Parties have jointly participated in the preparation of this Agreement and this Agreement is the result of the joint efforts of the Parties. Accordingly, any uncertainty or ambiguity existing in this Agreement shall not be interpreted against any Party as a result of the manner of the preparation of this Agreement. Each Party to this Agreement agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Agreement and, in this regard, the Parties hereby waive California Civil Code § 1654.

11. ENTIRE AGREEMENT

This Agreement contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

12. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Agreement by e-mail, facsimile, or other electronic means shall constitute

legal and binding execution and delivery. Any photocopy of the executed Agreement shall have the same force and effect as the originals.

13. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

APS&EE and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

14. MODIFICATION

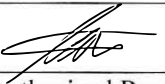
This Settlement Agreement may be modified only by written agreement of the Parties.

15. AUTHORIZATION

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Agreement by said Party.

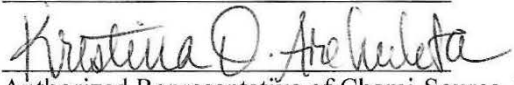
AGREED TO:

Date: 6/30/26

By: 
Authorized Representative of APS&EE, LLC

AGREED TO:

Date: 6-29-26

By: 
Authorized Representative of Chemi-Source, Inc.